

ANNEX D (i)

Funded Early Education (FEEE) Compliance Process (Quality and Finance Non-Compliance)

If a Provider is found to be in breach of the requirements set out in the Early Years Provider Agreement, the Council will place the Provider into the Compliance Process. This is a process through which the Provider's suitability to deliver FEEE places is assessed. As part of this process, the Provider may subsequently have part or all of their eligibility to deliver funded places withdrawn and/or monitored until such times that the Council is satisfied that the requirements of the process have been met.

This Annex sets out the compliance process that the Provider will be required to comply with in order to continue to provide FEEE places.

Compliance Process:

Step 1 - Notification

The Council will issue a letter to the Provider to advise that it is believed that they are non-compliant, along with the reason for this, what actions will be taken, including any withdrawal of funding, and the timescales involved. If the setting is subject to an immediate withdrawal of funding this will be made clear in the initial letter.

Step 2 - Assessment and support

Council officers will undertake an investigation (in the case of finance non-compliance) or discuss and agree a support plan (in the case of quality non-compliance).

Support and monitoring stage

The local authority will identify an officer to work with the setting/childminder to support them with an action plan to address the actions identified by Ofsted or as part of a FEEE Audit.

It is expected that the provider engages with the LA, support visits and professional development opportunities during the compliance period.

Step 3 - Reinstatement or removal of funding

If funding has been withdrawn, the Council will monitor progress against agreed actions and may reinstate funding according to their findings.

Step 4 - Removal from the compliance process

Providers who are part of this process due to an Ofsted judgement will remain in the compliance process until such time as they are re-inspected by Ofsted and their quality judgement meets the criteria set out in the quality section of the Early Years Provider Agreement.

What happens if a provider is not compliant with the requirements under the Quality section of the Early Years Provider Agreement?

The following information outlines when Providers registered on the Early Year Register cannot deliver some or all the FEEE entitlements after receiving a 'specified' inspection grade from Ofsted.

For Ofsted inspections before 10 November 2025

Ofsted Inspection Outcome	Early Learning Entitlement for 2-year-olds (FRAS)	Universal Entitlement for 3 and 4 year olds and Working Parent Entitlement for children aged 9 months to 4 years
Requires Improvement	Cannot deliver	
Inadequate OR Not Met (where Provider had no children on roll or no children present at the time of inspection).	Cannot deliver	Cannot deliver

For Ofsted inspections from 10 November 2025, under the new inspection framework

Ofsted Inspection Grading	Early Learning Entitlement for 2-year-olds (FRAS)	Universal Entitlement for 3 and 4 year olds and Working Parent Entitlement for children aged 9 months to 4 years
'Needs attention' in Leadership and Governance	Cannot deliver	
'Urgent improvement' in Leadership and Governance' OR Safeguarding is 'Not met'	Cannot deliver	Cannot deliver

If a Provider has received or receives an Ofsted grading as specified above, funding for early education places for the affected entitlements (where it is stated as 'cannot deliver') will be withdrawn.

The withdrawal of the affected entitlements will remain until such times as the Provider is re-inspected and receives an improved inspection outcome. The withdrawal of entitlements will be lifted based on the minimum quality standards being met for the respective entitlements. For example if grading for 'Leadership and Governance' improved from 'Urgent improvement' to

'Needs attention' only then withdrawal for Universal Entitlement for 3 and 4 year olds and Working Parent Entitlement for children aged 9 months to 4 years will be lifted BUT the withdrawal for Early Learning Entitlement for 2-year-olds (FRAS) will remain.

Refer to the separate information below relating to Independent Schools.

Grace period

Providers inspected before 10th November 2025 and judged as Requires Improvement may have been given a 'grace period' to continue to provide new places for the Early Learning Entitlement for 2-year-olds (FRAS) if this was their first inspection or if their previous inspection outcome was not less than Good.

For providers inspected from 10th November 2025, who receive an inspection outcome of 'Needs attention' in Leadership and Governance may be given a 'grace period' to continue to provide new places for the Early Learning Entitlement for 2-year-olds (FRAS) if this is their first inspection or if their previous inspection outcome was not below 'Expected Standard' in Leadership and Governance or it was not below Good.

The grace period arrangement is at the discretion of the Council; if the nature of the actions are appropriate. During the grace period, the provider is required to demonstrate engagement in support offered by the Council and commitment to addressing the actions set out by Ofsted in the report and there is evidence of ongoing progress. If at any point leading up to it, the Provider fails to engage with support activity and does not demonstrate progress, the Council reserve the right to suspend funding for the Early Learning entitlement for 2 year olds (FRAS). If a Provider who is in a grace period is re-inspected and again receives an inspection outcome of 'Needs attention' in Leadership and Governance then funding for the Early Learning entitlement for 2-year-olds (FRAS) will be withdrawn until such times as the provider is re-inspected and receives an outcome of 'Expected Standard' or above in Leadership and Governance from Ofsted.

Childminders registered with a childminder agency (CMA)

For childminders registered with a childminder agency (CMA), funding for all entitlements will be withdrawn where Ofsted has published a second consecutive inspection judgement of 'Ineffective' for their CMA and has identified concerns about the CMA's assessment arrangements.

If a CMA notifies the Council that, in their opinion, a childminder is not of the appropriate quality or if a CMA reports concerns around a childminder registered with them, the Council will liaise with the CMA about the appropriate course of action to take, including consideration to whether the childminder has breached conditions of the terms and conditions of FEEE delivery and therefore should be subject to the compliance process and potential withdrawal of funding. The CMA would agree support for the childminder, monitor and assess agreed actions and give feedback to the Council.

If the Council is alerted to a breach of the terms and conditions for delivery of FEEE by a CMA childminder through another communication channel, they will liaise with the CMA and agree action in line with the compliance process.

Continuity of care considerations

For all Providers, where some or all funded entitlements are withdrawn, to support continuity of care, if deemed safe, providers will continue to be funded for any children already on roll. Documentary evidence will be required to show any funded children already on roll.

Welfare requirement notice (WRN) actions

If a Provider that delivers FEEE places is served a welfare requirement notice (WRN) by Ofsted, the Council will write to them requesting that the provider submits documentary evidence, outlining the action taken in response to the WRN. This will be monitored under the Compliance Process by the Council until such times as Ofsted publish notification that the WRN is addressed and closed.

Monitoring – Quality non - compliance

Providers in the Compliance Process will receive support as outlined in the Flow chart 1 above. Their progress towards the Ofsted actions will be noted at each visit or support opportunity with the Provider from all the Council teams involved in the support for early years provision i.e. Early Education Development Team, Early Years Support Team or other teams/agencies deemed appropriate. Records made of support visits will be shared with the provider and they will have opportunity to feedback as appropriate.

Records of support/intervention with the Provider will be reviewed throughout the period of the Compliance Process, along with the Providers engagement and overall progress being made. For Providers in 'grace', this informs the decisions around funding and monitors conditions of compliance. Providers will be informed of any impact on their FEEE delivery/compliance process.

A Provider remains in compliance and will be monitored until the setting is reinspected by Ofsted and receives an appropriately improved outcome which meets the quality requirements outlined in the Provider agreement.

In exceptional circumstances the nature of the action set for the provider by Ofsted may be such that it can be addressed with immediate effect and therefore not impacting on quality. If this is the case, given appropriate evidence, the Council will consider reinstatement of FEEE funding, but the Provider would continue to be monitored under the Compliance Process until reinspected by Ofsted and receiving an improved outcome. This action is at the discretion of the Council.

The following information outlines when Independent Schools cannot deliver some or all the FEEE entitlements after receiving a 'specified' inspection grade from Ofsted or the Independent Schools Inspectorate.

For independent schools inspected by Ofsted (where the provision is not registered in the early years register)

Latest inspection took place on 4 January 2026 or earlier:

- For Early Learning for 2-year-olds (FRAS) – 'requires improvement' or below for overall effectiveness
- For all entitlements – 'inadequate' for overall effectiveness

Latest inspection took place from 5 January 2026:

- For Early Learning for 2-year-olds (FRAS) – 'needs attention' or below in leadership and governance or safeguarding is 'not met'
- For all entitlements – 'urgent improvement' in leadership and governance or safeguarding is 'not met'

For independent schools inspected by the Independent Schools Inspectorate (where the provision is not registered in the early years register)

- For all entitlements regardless of the date of inspection – ‘not met’ for leadership and governance or ‘not met’ for safeguarding

For providers inspected by the Independent Schools Inspectorate (where the provision is registered in the early years register)

Latest inspection took place on 4 January 2026 or earlier:

- For Early Learning for 2-year-olds (FRAS) – ‘requires improvement’ or below for overall effectiveness
- For all entitlements – ‘inadequate’ for overall effectiveness

Latest inspection took place from 5 January 2026:

- For Early Learning for 2-year-olds (FRAS) – ‘needs attention’ or below in leadership and governance or safeguarding is ‘not met’

For all entitlements – ‘urgent improvement’ in leadership and governance or safeguarding is ‘not met’

Finance non-compliance and monitoring

Refer to Annex D (ii) for information on the Audit Process and Procedures.

In the event that the Council has evidence that a Provider is not adhering to the finance related statutory terms contained within Section 3 of the Early Years Provider Agreement it will be deemed non-compliant and the Provider will be entered into the Compliance Process. In such circumstances, the Provider may subsequently have part or all of their eligibility to deliver funded places withdrawn until such time as the Provider is deemed to be compliant.

Providers under Finance Non-Compliance may receive support as stated in Flowchart 1 above.

The Provider will remain in compliance and their progress, towards the recommendations highlighted by the Council audit officer, will be monitored until the financial issues are resolved and this will inform the decisions around funding. The Provider will be notified by the Council when the financial issues are resolved and the case being closed.

If the Council is not satisfied with the actions taken by the Provider, as directed under the Compliance Process to ensure that they meet the terms and conditions, the agreement between the Provider and the Council may be terminated upon notice given by the Council. In order for the Provider to begin delivering FEEE places again the Provider will have to ensure they meet all the statutory and contractual terms under the Early Years Provider Agreement to reapply.

The Council reserves the right to refuse funding to Providers that have previously been excluded, dependant on the reason for exclusion and providing that such refusal is reasonable in the circumstances.

The Council will provide help and support to providers where the Council believes it is reasonable to do so to assist the Providers to ensure that the statutory and contractual terms can be satisfied.